

## Message Text

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15

ORIGIN EB-07

INFO OCT-01 EUR-12 NEA-10 IO-13 ISO-00 SS-15 AID-05 AGR-05

AGRE-00 SP-02 NSC-05 CIAE-00 INR-07 NSAE-00 COME-00

TRSE-00 OMB-01 USIA-06 H-02 L-03 IGA-02 /096 R

DRAFTED BY EB/IFD/ODF:JABWINDER:SMCP

APPROVED BY S:HAKISSINGER

AID:CGULICK

IO:DDAUGHERTY

NEA:DMORRISON

EB:PHBOEKER

S/S:RGAMBLE

NEA:SSOBER (SUBS)

A/AID:DPARKER

----- 052055

R 100104Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

INFO AMEMBASSY KUWAIT

AMEMBASSY ROME

AMEMBASSY TEHRAN

USMISSION USUN NEW YORK

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E.O. 11652: N/A

TAGS: EAID, EFIN, EAGR

SUBJECT: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

EMBASSY SHOULD DELIVER FOLLOWING LETTER TO THE CROWN  
PRINCE FROM THE SECRETARY. LETTER SHOULD BE ADDRESSED TO

HIS ROYAL HIGHNESS

CROWN PRINCE FAHD BIN ABDULAZIZ AL-SAUD,

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-- FIRST DEPUTY PRIME MINISTER OF SAUDI ARABIA.

FOLLOWING IS TEXT OF THE LETTER:

QUOTE YOUR ROYAL HIGHNESS,

I AM WRITING TO YOU REGARDING THE CURRENT STATE OF NEGOTIATIONS IN SETTING UP THE PROPOSED INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD). I AM SURE THAT YOU SHARE MY VIEW THAT THIS INSTITUTION SHOULD BECOME OPERATIVE AS SOON AS POSSIBLE SO THAT IT CAN BEGIN ITS IMPORTANT WORK.

THE UNITED STATES HAS STRONGLY SUPPORTED IFAD SINCE IT WAS PROPOSED BY A NUMBER OF OPEC COUNTRIES AT THE WORLD FOOD CONFERENCE IN 1974. WE HAVE VIEWED IFAD NOT ONLY AS

A VEHICLE TO IMPROVE AGRICULTURAL PRODUCTION IN DEVELOPING NATIONS BUT ALSO AS A UNIQUE OPPORTUNITY FOR A JOINT COOPERATIVE EFFORT BY OPEC AND OECD COUNTRIES.

AS YOU ARE UNDOUBTEDLY AWARE, PLEDGES REMAIN APPROXIMATELY \$65 MILLION SHORT OF THE \$1 BILLION TARGET NEEDED TO OPEN THE AGREEMENT FOR SIGNATURE. IT WOULD BE TRAGIC IF IFAD WERE TO FAIL OVER SUCH A SMALL AMOUNT.

I WAS DISAPPOINTED TO NOTE THAT THE OPEC FINANCE MINISTERS AT THEIR RECENT ANNUAL MEETING IN VIENNA REITERATED THEIR POSITION THAT THE CONTRIBUTION OF \$400 MILLION FROM THE OPEC SPECIAL FUND WAS CONTINGENT UPON A CONTRIBUTION OF AT LEAST \$600 MILLION FROM OECD COUNTRIES. AS YOU KNOW OUR CONGRESS HAS MADE THE UNITED STATES CONTRIBUTION OF \$200 MILLION CONTINGENT ON ROUGHLY EQUAL CONTRIBUTIONS FROM OECD MEMBERS AND OPEC COUNTRIES. CONSEQUENTLY WE NOW APPEAR TO BE AT AN IMPASSE WHICH THREATENS THE SUCCESS OF THIS EXTREMELY IMPORTANT INITIATIVE.

IT IS CLEAR TO ME THAT AN ACT OF STATESMANSHIP ON BOTH OUR PARTS WILL BE REQUIRED IF WE ARE TO BREAK OUT OF THIS IMPASSE. THE TOTAL LEVEL OF OECD COUNTRY CONTRIBUTIONS NOW EXCEEDS \$530 MILLION. WHILE I REALIZE THAT LIMITED OFFICIAL USE

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YOU MAY BE RELUCTANT TO SEE THE TOTAL LEVEL OF OPEC COUNTRY CONTRIBUTIONS EXACTLY MATCH THE OECD LEVEL, AN ADDITIONAL DIRECT BILATERAL CONTRIBUTION FROM ONE OR MORE LEADING OPEC COUNTRIES TOTALING \$50 TO \$70 MILLION WOULD BE A MAJOR STEP FORWARD IN REACHING A SUCCESSFUL CONCLUSION TO OUR JOINT EFFORTS. SUCH A STEP WOULD BE ESPECIALLY APPROPRIATE IN VIEW OF THE ORIGINS OF THE FUND, THE BACKGROUND OF THE AGREEMENT, THE VOTING STRUCTURE,

AND THE DESIRE OF OPEC COUNTRIES TO PUT FORWARD A CANDI-  
DATE FOR THE PRESIDENCY OF IFAD.

WERE YOU IN A POSITION TO TAKE SUCH A STEP AND TO  
PERSUADE ONE OR TWO OF YOUR COLLEAGUES TO JOIN YOU, I FOR  
MY PART WOULD MAKE EVERY EFFORT TO PERSUADE THE UNITED  
STATES CONGRESS THAT THE RESULTING OPEC CONTRIBUTIONS  
ACHIEVE ROUGH PARITY WITH THE LEVEL OF SUPPORT FROM  
DEVELOPED COUNTRIES. THIS WOULD ALLOW US TO GO AHEAD  
WITH THE FULL \$200 MILLION U.S. CONTRIBUTION RATHER THAN  
CUTTING IT BACK TO A LEVEL OF 40 PERCENT OF THE TOTAL  
OPEC CONTRIBUTIONS. SUCH A STATESMANLIKE SOLUTION WOULD  
ALSO AVOID THE POSSIBLE NEED FOR A REVISION IN THE FUND'S  
VOTING STRUCTURE TO REFLECT THE DISPARITY BETWEEN TOTAL  
OECD AND OPEC CONTRIBUTIONS. FURTHER I WOULD WELCOME THE  
OPPORTUNITY TO SUPPORT A QUALIFIED CANDIDATE FROM AN OPEC  
COUNTRY AS PRESIDENT OF IFAD.

I AM CONFIDENT THAT WITH THIS EXTRA EFFORT ON BOTH  
OUR PARTS, WE CAN BRING THIS IMPORTANT INITIATIVE TO EARLY  
F,UITION.

-- -- -- -- -- WARM REGARDS,

-- -- -- -- -- HENRY A. KISSINGER

UNQUOTE. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURAL DEVELOPMENT, DIPLOMATIC COMMUNICATIONS, FOREIGN POLICY POSITION, FINANCIAL CONTRIBUTIONS  
**Control Number:** n/a  
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**Draft Date:** 10 SEP 1976  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D760342-0021  
**From:** STATE  
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**Previous Handling Restrictions:** n/a  
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**Review Comment:** n/a  
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**Secure:** OPEN  
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**TAGS:** EAID, EFIN, EAGR, PSDC, SA, US, IFAD, (KISSINGER, HENRY A), (FAHD, PRINCE)  
**To:** JIDDA  
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